

**MANITOBA RESEARCH AND DEVELOPMENT TAX CREDIT**
(2010 and later tax years)

Name of corporation	Business Number	Year	Tax year-end Month	Day
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- Use this schedule if you are a corporation with a permanent establishment in Manitoba that has made eligible expenditures for scientific research and experimental development carried out in the province under section 7.3 of the *Income Tax Act* (Manitoba), and you want to:
 - calculate a Manitoba research and development (R&D) tax credit for the current tax year;
 - calculate the refundable component of the Manitoba R&D tax credit;
 - claim the credit to reduce Manitoba income tax otherwise payable in the current tax year;
 - carry back the current-year credit to reduce Manitoba income tax otherwise payable in any of the three preceding tax years;
 - carry forward the current-year credit to reduce Manitoba income tax otherwise payable in any of the 10 following tax years; or
 - renounce the current-year credit in whole or in part. The renunciation must be made in the year the credit was earned, and no later than 12 months after the filing due date of the *T2 Corporation Income Tax Return*.
- The Manitoba refundable research and development tax credit earned under subsection 7.3 (2.3) of the *Income Tax Act* (Manitoba), is the lesser of:
 - the amount by which the R&D tax credit available for the current tax year exceeds Manitoba income tax otherwise payable in the current tax year, and
 - the total of the following amounts:
 - 20% of the corporation's eligible expenditures incurred after December 31, 2009, and in the tax year under a R&D contract with a university, college, or other post-secondary educational institution in Manitoba or with a person approved for this purpose by the Minister of Innovation, Energy and Mines. For a list of educational institutions potentially eligible to participate in the SR&ED refundable Manitoba R&D tax credit program, go to: www.gov.mb.ca/finance/pdf/eligible_institutions.pdf;
 - 5% of the eligible expenditures not under a R&D contract with a qualifying institution incurred in 2011; and
 - 10% of the eligible expenditures not under a R&D contract with a qualifying institution incurred after December 31, 2011.
- An eligible expenditure must meet the definition of a "qualified expenditure" in subsection 127(9), but without reference to paragraph (d) of the federal *Income Tax Act*. The capital cost of a qualified expenditure is determined without reference to subsection 13(7.1) of the Act. Only qualified expenditures incurred in Manitoba are eligible for the Manitoba R&D tax credit.
- This schedule must be filed no later than 12 months after the *T2 Corporation Income Tax Return* is due for the tax year that the expenditure was incurred in.
- Use this schedule to claim:
 - a credit transfer after an amalgamation or the windup of a subsidiary, as described in subsections 87(1) and 88(1) of the federal *Income Tax Act*.
 - a credit allocated to a corporation that is a member of a partnership or a credit allocated to a corporation that is a beneficiary under a trust.
- Include a completed copy of this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Summary of total eligible expenditures incurred in the current tax year

Total eligible expenditures incurred in the current tax year	106	_____	A
Summary of total eligible expenditures incurred in the current tax year:			
Eligible expenditures under a R&D contract incurred in the current tax year after December 31, 2009	108	_____	a
Eligible expenditures not under a R&D contract incurred in the current tax year before January 1, 2011	112	_____	b
Eligible expenditures not under a R&D contract incurred in the current tax year during 2011	114	_____	c
Eligible expenditures not under a R&D contract incurred in the current tax year after December 31, 2011	116	_____	d
Summary of total eligible expenditures incurred in the current tax year (total of amounts a to d)		=====	B
(amount B cannot exceed amount A)			

Part 2 – Calculation of total credit available and credit available for carryforward

Credit at the end of the previous tax year	e			
Deduct:				
Credit expired*	104	f		
Credit at the beginning of the tax year (amount e minus amount f)	105	▶		C
Plus:				
Credit transferred on an amalgamation or the windup of a subsidiary	110	g		
Current-year credit earned:				
Line 106 in Part 1 × 20% =	121	h		
Repayments** × applicable rate*** =	123	i		
Credit allocated to the corporation that is a member of a partnership	130	j		
Credit allocated to the corporation that is a beneficiary under a trust	140	k		
Subtotal (total of amounts g to k)		▶		D
Total credit available (amount C plus amount D)				E
Deduct:				
Credit renounced	150	l		
Credit claimed in the current tax year (cannot exceed Manitoba tax otherwise payable) . . . (enter amount m on line 606 of Schedule 5, <i>Tax Calculation Supplementary - Corporations</i>)	160	m		
Subtotal (amount l plus amount m)		▶		F
Total credit available before refundable Manitoba R&D tax credit (amount E minus amount F)				G
Deduct:				
Refundable Manitoba R&D tax credit (amount N from Part 5)	180	n		
(enter amount n on line 613 of Schedule 5)				
Credit carried back to the previous tax year(s) (complete Part 3)		o		
Subtotal (amount n plus amount o)		▶		H
Closing balance – total credit available for carryforward (amount G minus amount H)	200			I

* An unused credit expires after **7** tax years if it was earned in a tax year ending before 2004, or after **10** tax years if it was earned in a tax year ending after 2003.

** Repayments must relate to a repayment made after June 16, 2010 by the corporation in the tax year and not in any other tax year. Repayments are the sum of the following:

- a repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment; and
- a repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure for first term or second term shared-use equipment, **multiplied** by 1/4.

*** Use 20% if the repayment relates to an expenditure made after March 8, 2005; or use 15% if the repayment relates to an expenditure made before March 9, 2005.

Part 3 – Request for carryback of credit

	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Year	Month	Day					901
Year	Month	Day							
1st previous tax year	 Credit to be applied							
2nd previous tax year	 Credit to be applied	902						
3rd previous tax year	 Credit to be applied	903						
Total (enter on line o in Part 2)			=						

Part 4 – Analysis of credit available for carryforward by year of origin

Year of origin (earliest year first)

Credit available

Year	Month	Day

Year of origin (earliest year first)

Credit available

Year	Month	Day

Total (equals line 200 in Part 2)

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The carryforward period for tax years ending before 2004 is 7 years. For tax years ending after 2003, the carryforward period is 10 years.

Part 5 – Calculation of refundable Manitoba R&D tax credit

Current-year refundable credit earned:

Line 108 in Part 1 _____ × 20% = **205** _____ p

Line 114 in Part 1 _____ × 5% = **210** _____ q

Line 116 in Part 1 _____ × 10% = **215** _____ r

Current-year refundable credit earned (total of amounts p to r) ===== ► ===== J

R&D tax credit available:

Total credit available (amount E in Part 2) K

Deduct:

Credit renounced (amount I in Part 2) s

Manitoba tax otherwise payable before refundable tax credits,
excluding the non-refundable R&D tax credit t

Subtotal (amount s **plus** amount t) ===== ► ===== L

Total R&D tax credit available (amount K **minus** amount L) M

Refundable Manitoba R&D tax credit (amount J or amount M, whichever is less) N
(enter amount N on line 180 in Part 2)